

Message Text

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ACTION OES-09

INFO OCT-01 ARA-14 EUR-12 EA-12 ISO-00 DOE-15 SOE-02

NRC-07 CIAE-00 INR-10 NSAE-00 IO-14 ACDA-12 EB-08

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FM AMEMBASSY OTTAWA

TO SECSTATE WASHDC 8257

INFO AMEMBASSY BONN

AMEMBASSY BUENOS AIRES

AMEMBASSY LONDON

AMEMBASSY PARIS

AMEMBASSY TOKYO

AMEMBASSY VIENNA

UNCLAS OTTAWA 03832

E.O. 11652: N/A

TAGS: TECH, ENRG, CA

SUBJECT: REORGANIZATION OF AECL

VIENNA FOR IAEA

DEPARTMENT FOR OES/NET

DEPARTMENT PLEASE PASS DDE/SIEVERING, NRC/LAFLEUR

1. ON 28 JULY 1978, ROSS CAMPBELL, CHAIRMAN OF THE BOARD, AND JAMES DONNELLY, PRESIDENT, OF ATOMIC ENERGY OF CANADA, LTD. (AECL) ANNOUNCED THE SENIOR OFFICERS INVOLVED IN THE REORGANIZATION OF AECL, EFFECTIVE AUGUST 1, 1978.

2. THE AECL HAS BEEN RESTRUCTURED AS A MANAGEMENT GROUP WITH FOUR OPERATING UNITS: A) RESEARCH AND DEVELOPMENT; B) ENGINEERING; C) CHEMICAL (FORMERLY HEAVY WATER PROJECTS); AND D) RADIOCHEMICAL (FORMERLY COMMERCIAL PROJECTS). EACH OF THESE UNITS WILL BE UNCLASSIFIED

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ORGANIZED AS A COMPANY, WILL BE SEMI-AUTONOMOUS, AND WILL BE HEADED BY AN EXECUTIVE VICE-PRESIDENT. FOR THE RESEARCH COMPANY THE EXECUTIVE VICE-PRESIDENT WILL BE R. G. HART (CURRENTLY HEAD OF THE WHITESHELL NUCLEAR RESEARCH ESTABLISHMENT); FOR THE CHEMICAL COMPANY IT WILL BE J. H. LANGSTAFF; AND FOR THE RADIO-CHEMICAL COMPANY IT WILL BE J. M. BEDDOES. THE EXECU-

TIVE V.P. FOR THE ENGINEERING COMPANY HAS NOT YET BEEN NAMED.

3. THE OFFICE OF THE PRESIDENT (DONNELLY) ALSO HAS BEEN RESTRUCTURED WITH DR. A. J. MODRADIAN NAMED AS VICE-PRESIDENT, RESEARCH AND DEVELOPMENT; GEORGE A. PON AS VICE PRESIDENT, ENGINEERING; AND J. HARDWICK AS VICE PRESIDENT, FINANCE. THIS EXECUTIVE TEAM WILL PLAN THE TOTAL CORPORATE EFFORT, PROVIDE OVERALL FINANCIAL DIRECTION AND WILL MONITOR THE PERFORMANCE OF THE OPERATING UNITS.

4. THE MOST OBVIOUS CHANGE WILL OCCUR IN THE NEW UNIT, THE AECL ENGINEERING COMPANY, WHICH IS BEING FORMED FROM THE EXISTING AECL POWER PROJECTS. THIS UNIT DESIGNS AND BUILDS THE CANDU POWER SYSTEMS. THE NEW ORGANIZATION WILL HAVE RESPONSIBILITY FOR DESIGNING AND MARKETING THE CANDU SYSTEM BOTH AT HOME AND OVERSEAS ON A COMMERCIALY COMPETITIVE BASIS. THE NEW STRUCTURE WILL HAVE THREE MAIN OPERATING GROUPS, ONE FOR PROJECT MANAGEMENT; ONE FOR DESIGN, QUALITY ASSURANCE AND EQUIPMENT TESTING; AND ONE FOR BASIC SYSTEMS ENGINEERING. IT ALSO WILL HAVE ITS OWN MARKETING SUPPORT GROUP.

5. AT SOME TIME IN THE FUTURE, THE AECL WILL CONSIDER THE INCORPORATION OF THESE NEW OPERATING UNITS INTO UNCLASSIFIED

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FULL SUBSIDIARY COMPANIES.

6. TEXT OF THE ANNOUNCEMENT WILL BE POUCHED TO THE DEPARTMENT AND TO DOE.

7. COMMENT: ONE EFFECT OF THE REORGANIZATION WILL BE TO PUT IN ANOTHER TIER OF MANAGEMENT TO GIVE A GREATER DEGREE OF CORPORATE CONTROL OVER THE OPERATING UNITS. THIS PROBABLY IS TO COUNTER THE CRITICISM EXPRESSED IN THE PRESS AND IN PARLIAMENT DURING THE PAST YEAR, THAT AECL WAS PLAYING "FAST AND LOOSE" WITH THE TAXPAYER'S MONEY IN THEIR DEALS WITH ARGENTINA AND KOREA.
DUEMLING

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